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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

NO. C-04-166-06-CO01

CONSENT ORDER

SILVER LAKE MORTGAGE, INC.,
dba HOMETOWN LENDING or CAPITAL
DIRECT or ADVANTAGE HOME
MORTGAGE, LLC or J & F MORTGAGE or
LEGACY FINANCIAL or LIBERTY LAKE
MORTGAGE, and CURTIS P. LILLIBRIDGE,
President, Owner and Designated Broker,
Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
Chuck Cross, Division Director, Division of Consumer Services, and Silver Lake Mortgage, Inc., dba Hometown
Lending or Capital Direct or Advantage Home Mortgage, LLC or J & F Mortgage or Legacy Financial or
Liberty Lake Mortgage (hereinafter Respondent Silver Lake), and Curtis P. Lillibridge, President, Owner and
Designated Broker (hereinafter Respondent Lillibridge), and finding that the issues raised in the captioned matter
may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is
entered pursuant to chapter 19.146 of Revised Code of Washington (RCW) and RCW 34.05.060 of the
Administrative Procedure Act based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department), and Respondents
have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-04-166-05-SC02
(Amended Statement of Charges), entered June 13, 2005, (copy attached hereto). Pursuant to chapter 19.146
RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act,
Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised

CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8795

1 in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The
2 parties intend this Consent Order to fully resolve the Amended Statement of Charges.

3 Based upon the foregoing:

4 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the
5 activities discussed herein.

6 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
7 before an administrative law judge, and that they have waived their right to a hearing and any and all
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.
9 Accordingly, Respondents agree to withdraw their appeal and Respondent Lillibridge agrees to inform the Office
10 of Administrative Hearings in writing of their withdrawal.

11 C. **License Revocation (Stayed).** It is AGREED that Respondent Silver Lake is subject to a revocation
12 of its mortgage broker license by the Department. HOWEVER, it is further AGREED that the revocation of
13 Respondent Silver Lake's mortgage broker license shall be stayed for a period of thirty (30) months from the date
14 of entry of this Consent Order, subject to the Department's authority to lift the stay and revoke Respondent Silver
15 Lake's mortgage broker license discussed in paragraph H of this Consent Order. It is further AGREED that if,
16 upon expiration of said thirty (30) month period, the stay has not been previously lifted, and Respondent Silver
17 Lake's mortgage broker license has not been previously revoked, and if a notification to lift the stay or a
18 proceeding to lift the stay is not then pending by the Director to revoke Respondent Silver Lake's mortgage broker
19 license, then, in such events, the Department shall consider this paragraph of this Consent Order fully performed
20 and Respondent Silver Lake's mortgage broker license shall not be revoked in connection with this Consent
21 Order. HOWEVER, if on the expiration of said thirty (30) month period a notification to lift the stay or a
22 proceeding to lift the stay is pending by the Director to revoke Respondent Silver Lake's mortgage broker license,
23 then those proceedings shall continue according to the terms of this Consent Order, as discussed in paragraph H
24 below.

25
CONSENT ORDER

1 **D. Fine (Partially Stayed).** It is AGREED that Respondents are subject to a fine by the Department in
2 the amount of \$60,500.00 for violating RCW 19.146.0201 (1) through (3) and (6), RCW 19.146.030, RCW
3 19.146.265, and for failing to comply with a Directive. HOWEVER, it is further AGREED that Respondents shall
4 pay to the Department \$30,250.00 of the total fine, in the form of a cashier's check made payable to the
5 "Washington State Treasurer" upon entry of this order, and that the balance of the fine (\$30,250.00) shall be
6 stayed for a period of thirty (30) months from the date of entry of this Consent Order, subject to the Department's
7 authority to lift the stay and impose the balance of the fine (\$30,250.00) discussed in paragraph H of this Consent
8 Order. It is further AGREED that if, upon expiration of said thirty (30) month period, the stay has not been
9 previously lifted, and the balance of the fine (\$30,250.00) has not been previously imposed, and if a notification to
10 lift the stay or a proceeding to lift the stay is not then pending by the Director to impose the balance of the fine
11 (\$30,250.00), then, in such events, the Department shall consider this paragraph of this Consent Order fully
12 performed and the stayed portion of the fine (\$30,250.00) will not be collected from Respondents. HOWEVER, if
13 on the expiration of said thirty (30) month period a notification to lift the stay or a proceeding to lift the stay is
14 pending by the Director to impose the balance of the fine (\$30,250.00), then those proceedings shall continue
15 according to the terms of this Consent Order, as discussed in paragraph H below.

16 **E. Restitution to Borrowers.** It is AGREED that Respondents shall, within ten (10) days of entry of
17 this Consent Order, make restitution to borrowers in the amount of \$119,009.34 pursuant to the attached Schedule
18 of Restitution (Attachment A). It is further AGREED that Respondents shall provide the Department with written
19 proof of such payments within forty-five (45) days of the date of entry of this Consent Order. The "written proof"
20 at a minimum must consist of copies of the front and back of cancelled checks. If restitution cannot be made to
21 any particular borrower, Respondents shall take the necessary steps to escheat such funds to the State of
22 Washington Department of Revenue and provide the Department with written proof of such action.

23 **F. Prohibition on Participation in the Industry (Stayed).** It is AGREED that Respondent Lillibridge
24 is subject to a prohibition from participating in the conduct of the affairs of any licensed mortgage broker or any
25 mortgage broker exempt under Washington law under RCW 19.146.0201(1)(d) or (f) for five (5) years from the
CONSENT ORDER

1 date of entry of this Consent Order in any capacity, including but not limited to: (1) any financial capacity whether
2 active or passive or (2) as an officer, director, principal, designated broker, employee, or loan originator.
3 HOWEVER, it is further AGREED that this five (5) year prohibition shall be stayed for a period of thirty (30)
4 months from the date of entry of this Consent Order, subject to the Department's authority to lift the stay and
5 impose the balance of the five (5) year prohibition discussed in paragraph H of this Consent Order. It is further
6 AGREED that if, upon expiration of said thirty (30) month period, the stay has not been previously lifted, and the
7 balance of the five (5) year prohibition has not been previously imposed, and if a notification to lift the stay or a
8 proceeding to lift the stay is not then pending by the Director to impose the balance of the five (5) year
9 prohibition, then, in such events, the Department shall consider this paragraph of this Consent Order fully
10 performed and the stayed portion of the five (5) year prohibition shall not be imposed. HOWEVER, if on the
11 expiration of said thirty (30) month period a notification to lift the stay or a proceeding to lift the stay is pending
12 by the Director to impose the balance of the five (5) year prohibition, then those proceedings shall continue
13 according to the terms of this Consent Order, as discussed in paragraph H below.

14 **G. Compliance Examinations.** It is AGREED that Respondents are subject to two (2) compliance
15 examinations during the thirty (30) month period from the date of entry of this Consent Order to be conducted by
16 the Department at the Department's discretion and at Respondents' expense. Respondents further AGREE to
17 promptly respond and address any and all issues, if any, identified in the compliance examinations to the
18 satisfaction of the Department.

19 **H. Lifting of Stay and Revoking License, Imposing Stayed Fines and Imposing Stayed Prohibition.**

20 It is AGREED that:

- 21 1. If, during the thirty (30) month period from the date of entry of this Consent Order, Respondents
22 violate RCW 19.146.0201(1), (2), (3), or (6), RCW 19.146.030, or RCW 19.146.265, or fail to
23 comply with a Directive, or violate any of the terms and conditions of this Consent Order and the
24 Department accordingly seeks to lift the stay and revoke Respondent Silver Lake's mortgage

broker license, and/or impose the balance of the fine (\$30,250.00), and/or impose the balance of the five (5) year prohibition, the Department first will notify Respondents in writing.

2. Respondents will be afforded ten (10) business days from the date of receipt of the Department's notification to request in writing an expedited administrative hearing to be held before an Administrative Law Judge (ALJ) from the Office of Administrative Hearings (OAH).
3. Respondents' request for hearing must be sent to the Department and received by the Department within ten (10) business days of the date of the receipt of the Department's notice.
4. Respondents, in addition to their request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.
5. The administrative hearing shall be expedited and follow the timing and processes described in this Consent Order.
6. If Respondents do not request the expedited hearing within the stated time, the Department immediately will revoke Respondent Silver Lake's mortgage broker license, and/or impose the balance of the fine (\$30,250.00), and/or impose the balance of the five (5) year prohibition, and pursue whatever action it deems necessary to revoke the license, and/or collect the balance of the fine, and/or impose the balance of the prohibition. Payment must be made by cashier's check payable to the "Washington State Treasurer."
7. If requested, the hearing will be held within fifteen (15) business days (or as soon as the schedule of the ALJ permits) from the due date for Respondents' request for hearing or from the date of receipt of Respondents' timely request for hearing, whichever is sooner. The parties will accommodate the prompt scheduling of the hearing.
8. The scope and issues of the hearing are limited solely to whether or not Respondents are in violation of RCW 19.146.0201(1), (2), (3), or (6), RCW 19.146.030, or RCW 19.146.265, or have failed to comply with a Directive, or are in violation of any of the terms and conditions of this Consent Order .

CONSENT ORDER

1 9. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may file a
2 Petition for Review with the Director of the Department.

3 10. The Department's notification will include:

- 4 a. A description of the alleged noncompliance;
- 5 b. A statement that because of the noncompliance, the Department seeks to lift the stay
6 and revoke Respondent Silver Lake's mortgage broker license, and/or impose the
7 balance of the fine (\$30,250.00), and/or impose the balance of the five (5) year
8 prohibition;
- 9 c. The opportunity for Respondents to contest the Department's determination of
10 noncompliance in an administrative hearing before an ALJ of OAH; and
- 11 d. A copy of this Consent Order. The notification and hearing process provided in this
12 Consent Order applies only to this Consent Order. It is solely provided in the event
13 Respondents choose to contest the Department's determination of noncompliance.

14 I. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
15 of \$7,644.80, calculated at \$47.78 per hour for one hundred sixty (160) staff hours devoted to the investigation, in
16 the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this order.

17 J. **Authority of the Department.** It is AGREED that nothing in this Consent Order shall be construed
18 as preventing the Department from fully exercising its authority and enforcing any provision of Title 19 Revised
19 Code of Washington and Title 208 of the Washington Administrative Code.

20 K. **Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and
21 warranted that they have the full power and right to execute this Consent Order on behalf of the parties
22 represented. Respondents further represent that neither Respondent Silver Lake Mortgage, Inc. nor Respondent
23 Lillibridge are currently doing business under the names Capital Direct, J & F Mortgage, or Legacy Financial and
24 are no longer affiliated with Advantage Home Mortgage, LLC.

25 L. **Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage Broker
Practices Act and the rules adopted thereunder.

1 M. **Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide
2 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the
3 event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in
4 pursuing such action, including but not limited to, attorney fees.

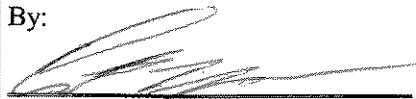
5 N. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into
6 this Consent Order, which is effective when signed by the Director's designee.

7 O. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this
8 Consent Order in its entirety and fully understand and agree to all of the same.

9 **RESPONDENTS:**

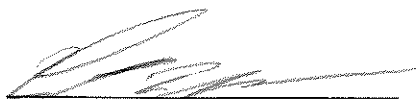
10 **Silver Lake Mortgage, Inc.**

11 By:

12 

13 Curtis P. Lillibridge
14 President, Owner and Designated Broker

3/3/06
Date

15 

16 Curtis P. Lillibridge, Individually

3/3/06
Date

17 DO NOT WRITE BELOW THIS LINE

18
19 THIS ORDER ENTERED THIS 8th DAY OF March, 2006.





CHUCK CROSS
Director
Division of Consumer Services
Department of Financial Institutions

CONSENT ORDER

SCHEDULE OF RESTITUTION

<u>Borrower</u>	<u>Loan Fees</u>	<u>3rd Party Fees</u>	<u>Total</u>
1	2,790.00	100.00	2,890.00
2	3,667.00	-	3,667.00
3	2,014.00	-	2,014.00
4	1,700.50	-	1,700.50
5	11,325.00	-	11,325.00
6	875.56	357.35	1,232.91
7	3,106.90	-	3,106.90
8	5,075.54	-	5,075.54
9	3,382.50	207.35	3,589.85
10	3,573.00	257.35	3,830.35
11	11,585.00	107.35	11,692.35
12	3,102.20	-	3,102.20
13	5,105.11	259.80	5,364.91
14	5,383.60	-	5,383.60
15	3,080.28	-	3,080.28
16	2,983.00	-	2,983.00
17	5,050.00	207.35	5,257.35
18	9,086.00	-	9,086.00
19	4,178.00	252.35	4,430.35
20	-	-	-
21	-	257.35	257.35
22	-	490.75	490.75
23	-	1,243.10	1,243.10
24	-	280.00	280.00
25	-	689.05	689.05
26	-	200.00	200.00
27	-	100.00	100.00
28	-	100.00	100.00
29	-	100.00	100.00
30	-	200.00	200.00
31	-	100.00	100.00
32	-	100.00	100.00
33	-	100.00	100.00
34	-	150.00	150.00
35	-	100.00	100.00
36	-	100.00	100.00
37	-	100.00	100.00
38	-	100.00	100.00
39	-	100.00	100.00
40	-	100.00	100.00
41	-	100.00	100.00
42	-	200.00	200.00
43	-	200.00	200.00
44	-	100.00	100.00
45	-	200.00	200.00
46	-	200.00	200.00
47	-	100.00	100.00
48	-	200.00	200.00
49	-	100.00	100.00
50	-	100.00	100.00
51	-	100.00	100.00
52	-	200.00	200.00
53	-	100.00	100.00
54	-	100.00	100.00
55	-	200.00	200.00
56	-	100.00	100.00
57	-	200.00	200.00

SCHEDULE OF RESTITUTION

<u>Borrower</u>	<u>Loan Fees</u>	<u>3rd Party Fees</u>	<u>Total</u>
58	-	100.00	100.00
59	-	200.00	200.00
60	-	100.00	100.00
61	-	100.00	100.00
62	-	100.00	100.00
63	-	200.00	200.00
64	-	100.00	100.00
65	-	100.00	100.00
66	-	200.00	200.00
67	-	100.00	100.00
68	-	100.00	100.00
69	-	100.00	100.00
70	-	100.00	100.00
71	-	200.00	200.00
72	-	100.00	100.00
73	-	200.00	200.00
74	-	100.00	100.00
75	-	200.00	200.00
76	-	100.00	100.00
77	-	100.00	100.00
78	-	100.00	100.00
79	-	100.00	100.00
80	-	100.00	100.00
81	-	100.00	100.00
82	-	200.00	200.00
83	-	100.00	100.00
84	-	200.00	200.00
85	-	100.00	100.00
86	-	100.00	100.00
87	-	200.00	200.00
88	-	100.00	100.00
89	-	200.00	200.00
90	-	100.00	100.00
91	-	200.00	200.00
92	-	100.00	100.00
93	-	100.00	100.00
94	-	100.00	100.00
95	-	200.00	200.00
96	-	200.00	200.00
97	-	200.00	200.00
98	-	100.00	100.00
99	-	100.00	100.00
100	-	162.00	162.00
101	-	100.00	100.00
102	-	100.00	100.00
103	-	225.00	225.00
104	-	100.00	100.00
105	-	200.00	200.00
106	-	100.00	100.00
107	-	200.00	200.00
108	-	100.00	100.00
109	-	100.00	100.00
110	-	100.00	100.00
111	-	200.00	200.00
112	-	100.00	100.00
113	-	100.00	100.00
114	-	100.00	100.00

SCHEDULE OF RESTITUTION

<u>Borrower</u>	<u>Loan Fees</u>	<u>3rd Party Fees</u>	<u>Total</u>
115	-	200.00	200.00
116	-	100.00	100.00
117	-	200.00	200.00
118	-	100.00	100.00
119	-	100.00	100.00
120	-	200.00	200.00
121	-	100.00	100.00
122	-	100.00	100.00
123	-	200.00	200.00
124	-	100.00	100.00
125	-	100.00	100.00
126	-	200.00	200.00
127	-	100.00	100.00
128	-	100.00	100.00
129	-	100.00	100.00
130	-	200.00	200.00
131	-	200.00	200.00
132	-	200.00	200.00
133	-	100.00	100.00
134	-	100.00	100.00
135	-	200.00	200.00
136	-	100.00	100.00
137	-	100.00	100.00
138	-	100.00	100.00
139	-	200.00	200.00
140	-	100.00	100.00
141	-	100.00	100.00
142	-	100.00	100.00
143	-	200.00	200.00
144	-	100.00	100.00
145	-	100.00	100.00
146	-	200.00	200.00
147	-	100.00	100.00
148	-	200.00	200.00
149	-	100.00	100.00
150	-	200.00	200.00
151	-	200.00	200.00
152	-	200.00	200.00
153	-	100.00	100.00
154	-	100.00	100.00
155	-	200.00	200.00
156	-	100.00	100.00
157	-	200.00	200.00
158	-	200.00	200.00
159	-	100.00	100.00
160	-	100.00	100.00
161	-	100.00	100.00
162	-	200.00	200.00
163	-	200.00	200.00
164	-	100.00	100.00
165	-	100.00	100.00
166	-	100.00	100.00
167	-	100.00	100.00
168	-	100.00	100.00
169	-	100.00	100.00
170	-	100.00	100.00
171	-	200.00	200.00

SCHEDULE OF RESTITUTION

<u>Borrower</u>	<u>Loan Fees</u>	<u>3rd Party Fees</u>	<u>Total</u>
172	-	100.00	100.00
173	-	100.00	100.00
174	-	100.00	100.00
175	-	100.00	100.00
176	-	200.00	200.00
177	-	200.00	200.00
178	-	100.00	100.00
179	-	200.00	200.00
180	-	100.00	100.00
181	-	200.00	200.00
182	-	100.00	100.00
183	-	200.00	200.00
184	-	100.00	100.00
185	-	100.00	100.00
186	-	200.00	200.00
187	-	100.00	100.00
188	-	200.00	200.00
189	-	100.00	100.00
190	-	100.00	100.00
191	-	100.00	100.00
192	-	100.00	100.00
193	-	100.00	100.00
194	-	200.00	200.00
195	-	300.00	300.00
196	-	100.00	100.00
197	-	200.00	200.00
198	-	200.00	200.00
199	-	200.00	200.00
200	-	100.00	100.00
201	-	200.00	200.00
202	-	300.00	300.00
203	-	100.00	100.00
204	-	100.00	100.00
205	-	100.00	100.00
206	-	100.00	100.00
207	-	300.00	300.00
208	-	100.00	100.00
209	-	100.00	100.00
210	-	200.00	200.00
211	-	100.00	100.00
212	-	100.00	100.00
213	-	200.00	200.00
214	-	100.00	100.00
215	-	100.00	100.00
216	-	100.00	100.00
217	-	100.00	100.00
218	-	200.00	200.00
219	-	100.00	100.00
220	-	200.00	200.00
221	-	200.00	200.00
222	-	100.00	100.00
223	-	100.00	100.00
Totals	87,063.19	31,946.15	119,009.34